



NOTICE OF A REGULAR MEETING

Notice is hereby given that a Regular Meeting of the Governing Body of the City of Ranger, Texas, will be held on **Monday, August 22, 2022 at 5:30 p.m.** in City Hall, 400 West Main Street Ranger, Texas. The following subjects will be discussed, to wit:

Agenda Item 01: **Call to Order-** Mayor Casey

Roll Call/Quorum Check

Invocation of Prayer

Pledge of Allegiance to the United States Flag

Pledge of Allegiance to the Texas Flag

Agenda Item 02: **Citizen's Presentation-**At this time, anyone on the list will be allowed to speak on any matter other than personnel matters or matters under litigation, for a length of time not to exceed THREE minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.

Agenda Item 03: **Announcements from City Council or Staff-**Comments may be made by council or staff, **BUT NO ACTION TAKEN** on the following topics without specific notice. Those items include: Expressions of Thanks, Congratulations or Condolence; Information on Holiday schedules; Recognition of public officials, employees or citizens other than employees or officials whose status may be affected by the council through action; Reminders of community events or announcements involving an imminent threat to the public health and safety of the people of the municipality.

Agenda Item 04: **Discuss/Consider:** approval of the city council meeting minutes for the regular meeting on July 25, 2022, August 8, 2022 and the called meeting on August 16, 2022. - Savannah Fortenberry, City Secretary

Agenda Item 05: **Discuss/Consider:** approving the request for 2-3yard dumpsters to be used for Roaring Ranger Days. – Ken Charman, Ranger Citizen Task Force

Agenda Item 06: **Discuss/Consider:** approving the use of hotel motel tax funds for advertising and signage for the Roaring Ranger Day 2-day event. - Ken Charman, Ranger Citizen Task Force

Agenda Item 07: **Discuss/Consider:** approving the request of hotel motel use funds from Wild Horses Building Champions for events being held on September 16, 17, 18th and 30th. – Tom and Casey Reeves, Wild Horses Building Champions, Inc.

Agenda Item 08: Discuss/Consider: Resolution No. 2022-08-22-L: A RESOLUTION OF THE CITY COUNCIL OF RANGER, TEXAS, AUTHORIZING THE SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION-RESILIENT COMMUNITIES PROGRAM PROJECT APPLICATION TO THE GENERAL LAND OFFICE; AND AUTHORIZING THE CITY MANAGER TO ACT AS THE CITY’S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY’S PARTICIPATION IN THE COMMUNITY DEVELOPMENT & REVITALIZATION PROGRAM. –Gerald Gunstanson, City Manager

Agenda Item 09: Discuss/Consider: Resolution No. 2022-08-22-M: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANGER, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE. OFFICE OF RURAL AFFAIRS FOR THE COMMUNITY DEVELOPMENT FUND; AND AUTHORIZING THE MAYOR AND/OR THE CITY MANAGER TO ACT AS THE CITY’S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY’S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.- Gerald Gunstanson, City Manager

Agenda Item 10: Discuss/Consider: Convene into executive session pursuant to Section 551.071, Texas Government Code, and Section 1.05, Texas Disciplinary Rules of Professional Conduct to consult with legal counsel regarding:

1. The Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement

Agenda Item 11: Discuss/Consider: Reconvene into Open Session to take action as determined appropriate in the City Council’s discretion regarding:

1. The Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement

Agenda Item 12: Discuss/Consider: Adjournment

I, the undersigned authority, do hereby certify that the above notice of meeting of the Governing Body of the City of Ranger is a true and correct copy of said notice on the bulletin board at the City Hall of the City of Ranger, a place convenient and readily available to the general public at all times, and notice was posted by 5:30 p.m., August 19, 2022 and remained posted for 72 hours preceding the scheduled time of the meeting.

Savannah Fortenberry
Savannah Fortenberry, Ranger City Secretary

The City council reserves the right to convene into Executive Session concerning any of the items listed on this agenda under the authority of the Mayor, whenever it is considered necessary and legally justified under the Open Meetings Act.

NOTICE OF ASSISTANCE

Ranger City Hall and Council Chambers are wheelchair accessible and accessible parking spaces are available. Request for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact City Secretary’s office at (254) 647-3522 for information or assistance.

This Notice was removed from the outside bulletin board on _____ by _____.



REGULAR MEETING MINUTES

A Regular Meeting of the Governing Body of the City of Ranger, Texas, was held on **Monday, July 25, 2022 at 5:30 p.m.** in City Hall, 400 West Main Street Ranger, Texas. The following subjects were discussed, to wit:

COUNCIL MEMBERS AND CITY STAFF PRESENT:

Honorable John Casey
Commissioner Larry Monroe
Commissioner Terry Robinson
Commissioner Kevan Moize
Commissioner Samantha McGinnis
City Manager Gerald Gunstanson
City Secretary Savannah Fortenberry
Public Works Director Andrew Lopez
Honorable Tammy S. Archer

Mayor
Place 1
Place 2
Place 3
Place 4

Agenda Item 01: Call to Order- Mayor John Casey

Roll Call/Quorum Check- Mayor John Casey
Invocation of Prayer- City Manager Gerald Gunstanson
Pledge of Allegiance to United States Flag- Mayor John Casey
Pledge of Allegiance to Texas Flag- Mayor John Casey

Agenda Item 02: Citizen's Presentation: **1.** Jim Mercer spoke regarding his water and sewer line. He gave thanks to the public works crew for fixing the problem that should have been fixed in 2016. **2.** Wayne White spoke stating encouragement needed to be given to Jared. Mr. White said Jared is the driving force for the plan. **3.** Karl Richter is a citizen of Eastland County for two years and loves what Jared has done. He is very interested in building a hangar home but wants a clear path. **4.** Joe Wesley spoke regarding the airfield and stated Jared had met with a group of high school students and spoke to them about opportunities to get a pilot license. **5.** Charles Calvert stated he moved to Ranger in 1981 with 80 businesses and all have left. Mr. Calvert wants Ranger to become prosperous again. **6.** Charles Cook is a 4th generation. Mr. Cook stated the town had something going for it. He stated he had nothing but fond memories. He stated the town has been mismanaged and Jared is trying to pump life into the airport. **7.** Jared Calvert stated there was a series of items related to Ranger Antique Airfield. In January there was an agreement made with the City over the course of four meetings. Mr. Calvert stated Phase 1 is for 3 hangars to be built and added on to the tax rolls. The Hangar builders have not asked for money from the City and Ranger will only succeed by bringing in businesses. **8.** Doyle Russell questioned why 3 council members and a mayor allow 1 member to dictate the whole meeting. Mr. Russell stated the criteria has all been met and if the lease is not upheld no one will move to

Ranger. **9.** Justin Koerner stated it was time to get rid of the good ole boys and get businesses back to town.

Agenda Item 03: Announcements from City Council or Staff- **1.** City Manager, Gerald Gunstanson, stated there is a burn ban in effect with welding restrictions. **2.** Commissioner Monroe stated August 16th the Disabled Veterans Group is hosting their 15 year anniversary at the Vietnam Veteran Park.

Agenda Item 04: Discuss/Consider: approval of the city council meeting minutes for the regular meeting on July 11, 2022. - Savannah Fortenberry, City Secretary

*Motion made by Commissioner Robinson to approve the city council meeting minutes, with the spelling change, for the regular meeting on July 11, 2022 and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 05: Discuss/Consider: approving the low income household water assistance program (LIHWAP) with Cornerstone Community Action Agency. - John Casey, Mayor

*Motion made by Commissioner McGinnis to approve the low income household water assistance program with Cornerstone Community Action Agency and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 06: Discuss/Consider: laws, bylaws and charters of the REDCs. – Kevan Moize, Commissioner Place 3

*Commissioner Moize stated over the past couple of weeks he challenged the REDC's to read state laws, bylaws, charter, and Title 12. He asked members to become in compliance. Commissioner Moize stated Saturday, July 16th he emailed board members individually with the rules and his opinion of the rules. Commissioner Moize provided the documents he emailed to the City Commission and public.

***No Action taken.**

Agenda Item 07: Discuss/Consider: Convene into executive session **at 6:07pm** pursuant to Section 551.071, Texas Local Government Code, and Section 1.05, Texas Disciplinary Rules of Professional Conduct to consult with legal counsel regarding the Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement. –John Casey, Mayor

Agenda Item 08: Discuss/Consider: Reconvene into Open Session **at 7:29pm** to take action as determined appropriate in the City Council's discretion regarding the Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement. - John Casey, Mayor

*Commissioner Robinson stated the lease was not in jeopardy and the lease amendment is the framework for continuing the detailing of the amendment regarding the conveying of the three hanger lots. We ask that the details are continued in a between the foundation, the City, and the City's Attorney.

*Motion made by Commissioner Moize to form a committee with Commissioner Robinson and McGinnis to represent the City in the discussions with the attorney and Ranger Airfield Foundation and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 09: Discuss/Consider: Rescinding action of July 11, 2022 Council to transfer 3.5+- acres from REDC to the City and to subsequently amend the RAF Lease with this property. This is a notice of the intent to rescind. - Kevan Moize, Commissioner Place 3

*Commissioner Moize stated while working out the issues with the lease amendment he wants to rescind the transfer of the deed.

*Motion made by Commissioner Moize to rescind the transfer of the deed and motion died for lack of second. **Died for lack of second.**

Agenda Item 10: Discuss/Consider: the previously tabled item REDC funding the installation of utilities on airport property for 3 newly constructed home / hangers. - Steve Gerdes, REDC President

*REDC President, Steve Gerdes, addressed Council stating no action to be taken on agenda item 10.

*Motion made by Commissioner Moize to take no action on Agenda Item 10 and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 11: Discuss/Consider: the Ranger City Commission approving the 4 B REDC's proposed waterline project to be installed on the Ranger College's Property and the REDC's Property. - Steve Gerdes, REDC President

*REDC President, Steve Gerdes, addressed Council stating the project has changed and the waterline will now be on the Ranger College property from Jameson Hall to the NE corner of the REDC property. Mr. Gerdes provided a price list for parts from Public Works Director Lopez. Steve stated Mr. Lopez was correct and engineering was required. He provided an engineering quote. Jared Calvert provided a presentation with benefits to the REDC, Airfield, City, and College/School District. Jared stated the RAF would pay for 1 fire hydrant and all material for the hydrant. Jared Calvert read each question with answers previously given by Commissioner Moize. Commissioner Moize stated it is a large financial risk, there is not a letter from the College, nor a survey.

*Motion made by Commissioner Monroe to install the water line and motion died for lack of second. **Motion died for a lack of second.**

Agenda Item 12: Discuss/Consider: authorize the city manager to solicit and employ a professional commercial real estate appraiser to appraise the property 80+/- acres described in the tax roll as 55996, 58694 and 67266. – Kevan Moize, Commissioner Place 3

*Motion made by Commissioner Moize to allow the City Manager to solicit a commercial appraiser to appraise parcel 55996, 58694, 67266 and 2nd by Commissioner Robinson. **Ayes: Moize, Robinson, McGinnis; Naye: Monroe; Motion Passed.**

Agenda Item 13: Discuss/Consider: authorize the REDC A board to solicit and employ a professional commercial real estate appraiser to appraise the property 90+/- acres described in the tax roll as 54013. –Kevan Moize, Commissioner Place 3

*Motion made by Commissioner Moize to have the board solicit and employee an appraiser for parcel 54013 and 2nd by Commissioner Robinson. **Ayes: Moize, Robinson, McGinnis; Naye: Monroe; Motion Passed.**

Agenda Item 14: Discuss/Consider: the REDC to contact One Source Equipment and pursue the agreed a upon economic development or have the property returned to the REDC for the original purchase price.- Kevan Moize, Commissioner Place 3

*Commissioner Moize stated the agreement with One Source Equipment was not fulfilled for economic development as agreed upon and would like to see if the REDC can retrieve the property back for what it was sold for. If that is unsuccessful, the next steps would be taken.

*Motion made by Commissioner Moize for REDC to contact One Source Equipment and return the property back for the same price or a better agreement and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

Agenda Item 15: Discuss/Consider: Adjournment- 8:47pm

*Motioned by Commissioner Monroe to adjourn and Commissioner Moize 2nd the motion. **All Ayes and Motion Passed.**

These minutes were approved on the 22nd day of August, 2022

CITY OF RANGER, TEXAS

John Casey, Mayor

ATTEST:

Savannah Fortenberry, City Secretary



REGULAR MEETING MINUTES

A Regular Meeting of the Governing Body of the City of Ranger, Texas, was held on **Monday, August 8, 2022 at 5:30 p.m.** in City Hall, 400 West Main Street Ranger, Texas. The following subjects were discussed, to wit:

COUNCIL MEMBERS AND CITY STAFF PRESENT:

Honorable John Casey	Mayor- Absent
Commissioner Larry Monroe	Place 1
Commissioner Terry Robinson	Place 2
Commissioner Kevan Moize	Place 3
Commissioner Samantha McGinnis	Place 4
City Manager Gerald Gunstanson	
City Secretary Savannah Fortenberry	
Public Works Director Andrew Lopez	
Honorable Tammy S. Archer	

Agenda Item 01: Call to Order- Mayor Pro-tem Terry Robinson

Roll Call/Quorum Check- Mayor Pro-tem Terry Robinson

Invocation of Prayer- City Manager Gerald Gunstanson

Pledge of Allegiance to United States Flag- Mayor Pro-tem Terry Robinson

Pledge of Allegiance to Texas Flag- Mayor Pro-tem Terry Robinson

Agenda Item 02: Citizen's Presentation: 1. Jared Calvert formally requested to be on the Agenda for an airfield update. He stated he wants the entire city to see the presentation. 2. Steve Gerdes went to the park for the event and stated it was truly great. Mr. Gerdes stated Mr. Monroe does good things locally. 3. Mr. Gerdes stated the ECWSD called a special meeting to issue the Stage 4 Drought Contingency. Mr. Gerdes stated there were issues with the inlet tower and they were working to get the issues fixed. Mr. Gerdes stated as soon as the repairs were made the Drought Contingency would move to Stage 1.

Agenda Item 03: Announcements from City Council or Staff- 1. Mayor Pro-tem Robinson announced there would be a school prayer on August 21st in the school parking lot hosted by the RMA. 2. City Manager, Gerald Gunstanson, announced we are currently under Stage 4 Drought Contingency. 3. Commissioner Moize stated words of intimidation have been given and in the last couple of weeks two council members have experienced vandalism. Commissioner Moize stated he hopes its random acts of vandalism and not targeted.

Agenda Item 04: Discuss/Consider: approval of the city council meeting minutes for the regular meeting on July 25, 2022. - Savannah Fortenberry, City Secretary

*Motion made by Commissioner Moize to table agenda item 4 until the next scheduled meeting and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

Agenda Item 05: Discuss/Consider: approving Resolution No. 2022-08-08-K: regarding civil rights. -Gerald Gunstanson, City Manager

*Motion made by Commissioner McGinnis to approve Resolution No. 2022-08-08-K and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 06: Discuss/Consider: Convene into executive session at **5:57pm** pursuant to Section 551.071, Texas Local Government Code, and Section 1.05, Texas Disciplinary Rules of Professional Conduct to consult with legal counsel regarding:

1. Ranger Economic Development Financial Report
2. The Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement
3. REDC contacting One Source Equipment

Agenda Item 07: Discuss/Consider: Reconvene into Open Session at **7:07pm** to take action as determined appropriate in the City Council's discretion regarding:

1. Ranger Economic Development Financial Report
2. The Lease Agreement between the City of Ranger and the Ranger Airfield Maintenance Foundation and the First Amendment to the Lease Agreement
3. REDC contacting One Source Equipment

*1. Motion made by Commissioner Moize to take no action and continue with the audit as planned and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

*2. Motion made by Commissioner Moize to take no action as this was an update from the committee meeting and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

*3. Motion made by Commissioner Moize to take no action and allow the REDC to continue negotiations and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

Agenda Item 08: Discuss/Consider: submitting the proposal of the John Deere 35G Compact Excavator from Yellow House to Texas Water Development Board for usage of remaining budget funds. – Andrew Lopez, Public Works Director

*Motion made by Commissioner Moize to approve the proposal with the amendment to add the possibility of a trailer purchase and 2nd by Commissioner McGinnis. **All Ayes and Motion Passed.**

Agenda Item 09: Discuss/Consider: Budget and Tax Rate Workshop: setting proposed tax rate. –Savannah Fortenberry, Finance Director

*Discussion was held regarding the proposed budget and tax rate. A meeting date was scheduled for a workshop on August 16th at 2pm.

*Motion made by Commissioner Moize to approve the proposed voter approval tax rate of \$0.657254 and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 10: Discuss/Consider: accepting Traci McCarty's Letter of Resignation from her position on the REDC Board of Directors. – John Casey, Mayor

*Traci McCarty gave her thanks to the City and it was her pleasure to help. Mrs. McCarty stated she wanted to see Ranger healthy and growing.

*Motion made by Commissioner McGinnis to accept Traci McCarty's Letter of Resignation from her position on the REDC Board of Directors and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 11: Discuss/Consider: approving Jacob and Martin's Professional Service Contract. –Gerald Gunstanson, City Manager

*Motion made by Commissioner Moize to approve Jacob and Martin's Professional Service Contract and 2nd by Commissioner Monroe. **All Ayes and Motion Passed.**

Agenda Item 12: Discuss: a nomination process for directors of city council governed boards and/or commissions. –Kevan Moize, Commissioner Place 3

*Commissioner Moize stated he was presenting this to council to give time to review that documents in the packet prior to action. **No action taken by council.**

Agenda Item 13: Discuss: Approve public notice and information requirements of city council governed boards or commissions. –Kevan Moize, Commissioner Place 3

*Commissioner Moize stated he was presenting this to council to give time to review the documents in the packet prior to action, but this agenda item was worded wrong. Commissioner Moize stated he would bring this item back for action. **No action taken by council.**

Agenda Item 14: Discuss/Consider: Consent Items; the Approval of Monthly Department Reports:

- | | |
|--|--|
| • Finance Report- Director Savannah Fortenberry | • Fire/EMS Report- Chief Darrel Fox |
| • Library Report- Librarian Diana McCullough | • Police Department- Chief Moran |
| • REDC 4A Report- President Steve Gerdes | • Animal Control/Code Enforcement- River Gibson |
| • REDC 4B Report- President Steve Gerdes | • Public Works Report- Director Andrew Lopez |
| • Municipal Court Report- Judge Tammy Archer | |

*A motion was made by Commissioner Moize was made to approve the reports and 2nd by Commissioner Monroe. **All Ayes and the motion passed.**

Agenda Item 15: Convene in Executive Session at 7:58pm Pursuant to Texas Government Code Section § 551.074 to deliberate the appointment, employment, evaluation, reassignment, duties, or dismissal of a public officer or employee. – John Casey, Mayor

- City Manager

Agenda Item 16: Discuss/Consider: Reconvene into Open Session at 9:04pm and take action from Executive Session – John Casey, Mayor

*Motions made by Commissioner McGinnis to approve the amendment to the contract with a 5% increase to salary and 2nd by Commissioner Moize. **All Ayes and the motion passed.**

Agenda Item 17: Discuss/Consider: Adjournment- 9:05pm

*Motioned by Commissioner Monroe to adjourn and Commissioner McGinnis 2nd the motion. **All Ayes and Motion Passed.**

These minutes were approved on the 22nd day of August, 2022

CITY OF RANGER, TEXAS

John Casey, Mayor

ATTEST:

Savannah Fortenberry, City Secretary



CALLED MEETING MINUTES

A Called Meeting of the Governing Body of the City of Ranger, Texas, was held on **Tuesday, August 16, 2022 at 2:00 p.m.** in City Hall, 400 West Main Street Ranger, Texas. The following subjects were discussed, to wit:

COUNCIL MEMBERS AND CITY STAFF PRESENT:

Honorable John Casey
Commissioner Larry Monroe
Commissioner Terry Robinson
Commissioner Kevan Moize
Commissioner Samantha McGinnis
City Manager Gerald Gunstanson
City Secretary Savannah Fortenberry
Public Works Director Andrew Lopez
Honorable Tammy S. Archer

Mayor- **Absent**
Place 1- **Absent**
Place 2
Place 3
Place 4

Agenda Item 01: Call to Order- Mayor Pro-tem Robinson
Roll Call/Quorum Check- Mayor Pro-tem Robinson

Agenda Item 02: Citizen's Presentation: 1. No participation.

Agenda Item 03: Discuss/Consider: Budget Workshop: approving a proposed budget for fiscal year 2022-2023. –Savannah Fortenberry, Finance Director

*Discussion and changes were made to the budget during the workshop. The proposed budget, tax rate, and fees will be brought before council for readings.

*Motion made by Commissioner Moize to approve the proposed budget and 2nd by Commissioner McGinnis. **Ayes: Moize, McGinnis, Robinson and Motion Passed.**

Agenda Item 04: Discuss/Consider: approving the audit proposal from Fullerton and Associates PLLC. - Gerald Gunstanson, City Manager

*Motion made by Commissioner McGinnis to approve the audit proposal from Fullerton and Associates PLLC and 2nd by Commissioner Moize. **Ayes: Moize, McGinnis, Robinson and Motion Passed.**

Agenda Item 05: Discuss/Consider: Adjournment- 4:28pm

***Motioned by Commissioner Moize to adjourn and Commissioner McGinnis 2nd the motion. All Ayes and Motion Passed.**

These minutes were approved on the 22nd day of August, 2022

CITY OF RANGER, TEXAS

John Casey, Mayor

ATTEST:

Savannah Fortenberry, City Secretary

Use of Local Hotel Occupancy Tax Revenues

There is a two-part test for every expenditure of local hotel occupancy tax.¹

Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.²

Under the Tax Code, every event, program, or facility funded with hotel occupancy tax revenues must be likely to do two things: 1) directly promote tourism; and 2) directly promote the convention and hotel industry.³ "Tourism" is defined under Texas law as guiding or managing individuals who are traveling to a different, city, county, state, or country.⁴ A "direct" promotion of the convention and hotel industry has been consistently interpreted by the Texas Attorney General as a program, event, or facility likely to cause increased hotel or convention activity.⁵ This activity may result from hotel or convention guests that are already in town and choose to attend the hotel tax funded facility or arts or historical event, or it may result from individuals who come from another city or county to stay in an area lodging property at least in part to attend the hotel tax funded event or facility.

If the funded event or facility is not reasonably likely to directly enhance tourism and the hotel and convention industry, local hotel occupancy tax revenues cannot legally fund it.⁶ However, it is important to note that events and facilities that do not qualify for hotel occupancy tax funding are often still legally eligible for city funding from most of the other funding sources available to the city (general property tax revenues, general sales tax revenues, franchise fee revenues, etc.). State law is stricter in terms of how the local hotel occupancy tax revenues can be spent.

There is no statutory formula for determining the level of impact an event must have to satisfy the requirement to directly promote tourism and hotel and convention activity.⁷ However, communities with successful tourism promotion programs generally award the amount of the hotel occupancy tax by the proportionate impact on tourism and hotel activity incident to the funding request. Entities applying for hotel occupancy tax revenue funding should indicate how they will market the event to attract tourists and hotel guests. If an entity does not adequately market its events to tourists and hotel guests, it is difficult to produce an event or facility that will effectively promote tourism and hotel activity.

A city or delegated entity should also consider whether a funded event will be held in a venue that will likely attract tourists and hotel guests. For example, if an event is held in a local school or community center, it may be less likely to attract tourists than if it is held at a local performing arts venue, museum or civic center. Each community will need to assess whether the facility hosting the function is likely to attract tourists and hotel guests. Similarly, if an event is a community picnic, local parade, educational class, or other similar type of event, it is often not likely to attract tourists and hotel guests, and would likely not be eligible for hotel occupancy tax funding.

¹ §§ 351.101(a), (b).

² §§ 351.101(b).

³ *Id.*

⁴ § 351.001(6).

⁵ See Op. Tex. Att'y Gen. Nos. GA-0124 (2003), JM-690 (1987).

⁶ *Id.*

⁷ See generally Tex. Tax Code §§ 351.101(a), (b).

Finally, it is a good practice to utilize a hotel tax application form. THLA has a sample hotel occupancy tax application form and a “post event” form that are already in use by many city governments throughout Texas. For a copy of these two forms, simply call THLA at (512) 474-2996, or email THLA at news@texaslodging.com. These forms pose questions of funding applicants such as “Do you have a hotel room block for your events?,” and “What do you expect to be the number of room nights sold for this event?” Additionally, the application asks if the entity has negotiated a special hotel price for attendees of their funded event. If the entity does not find the need to reserve a hotel block or negotiate a special hotel rate, it is not likely that they anticipate their event/s will have a meaningful impact on hotel activity.

Funded entities can also visit with area hoteliers who, in many cases, can provide feedback on whether any of their hotel guests expressed an interest in attending such events or facilities in the past. Hotel front desk and management staff usually know what local events and facilities were of interest to their guests by notes in their reservation systems, requests for directions, information and transportation to such venues by hotel patrons.

After an applicant’s event or program is offered for several years, the applicant should have a reasonable idea as to whether their event or program’s attendance includes a number of tourists and hotel guests. For example, some entities track whether guests are staying at local hotels via their guest registry. Other entities measure potential out-of-town attendance from their ticket sales records or other survey information.

It is important to note that Texas law also provides that the hotel occupancy tax may not be used for general revenue purposes or general governmental operations of a municipality.⁸ It also may not be used to pay for governmental expenses that are not directly related to increasing tourism and hotel and convention activity.⁹ For example, consider a request to use the hotel occupancy tax to pay for construction of additional lighting, restrooms, roads, sidewalks, or landscaping in a downtown area. These are expenditures for which the city would traditionally use its general revenues. Therefore, such an expenditure would violate the prohibition against using the hotel tax for “general governmental operations of a municipality.”¹⁰ It is difficult to argue that such improvements to a non-tourism facility would “directly” promote tourism and hotel activity. At best, one could argue the improvements would “indirectly” enhance tourism and hotel activity—which is not sufficient under the clear language of the Tax Code to qualify for funding from the hotel occupancy tax.

⁸ Tex. Tax Code § 351.101(b); see also Op. Tex. Att’y Gen. Nos. JM-184 (1984), JM-965(1988).

⁹ *Id.*

¹⁰ *Id.*

Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.¹¹

The nine categories for expenditure of the hotel occupancy tax are as follows:

1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.

This category allows expenditures of the hotel tax for the creation, improvement, or upkeep of a convention center or a visitor information center.¹² The term “convention center” is defined to include civic centers, auditoriums, exhibition halls, and coliseums that are owned by the city or another governmental entity or that are managed in whole or in part by the city.¹³ It also includes parking areas in the immediate vicinity of a convention center facility, and certain hotels that are owned by the city or another governmental entity, or that are managed in whole or in part by the city.¹⁴ It does not include facilities that are not of the same general characteristics as the structures listed above.

Texas law specifies that for a facility to be funded as a convention center, it must be a facility primarily used to host conventions and meetings.¹⁵ “Primarily used” in this context would arguably mean that more than 50 percent of the bookings for the facility are to host conventions or meetings that directly promote tourism and the hotel and convention industry.¹⁶ In other words, holding local resident meetings in a facility would not count toward qualifying the facility as a convention center, but meetings of individuals from out-of-town who in part stay at hotels would qualify.

Simply naming a facility a convention center or visitor information center does not automatically qualify the facility as a “convention center.” The authority to use the hotel occupancy tax for facilities is limited and any such facility must meet the above noted “primary usage” test. For example, general civic buildings such as the city hall, local senior citizen centers or activity centers would not qualify as convention centers that could be funded by hotel tax.

2) Paying the administrative costs for facilitating convention registration.

This provision allows expenditures for administrative costs that are actually incurred for assisting in the registration of convention delegates or attendees.¹⁷ This is generally an expenditure for larger cities that hold large conventions, and includes covering the personnel costs and costs of materials for the registration of convention delegates or attendees.

¹¹ Tex. Tax Code § 351.101(a).

¹² § 351.101(a)(1).

¹³ § 351.001(2).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*; see generally Tex. Tax Code §§ 351.101(a), (b).

¹⁷ Tex. Tax Code § 351.101(a)(2).

3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.

This provision allows expenditures for solicitations or promotional programs/advertising directly related to attracting tourists and convention delegates to the city or its vicinity.¹⁸ Such expenditures are traditionally in the form of internet, newspaper, mail, television, or radio ads; or solicitations to promote an event or facility. The advertising or promotion must directly promote the hotel and convention industry.¹⁹ For example, the Texas Attorney General ruled that the local hotel occupancy tax may not be used for advertising or other economic development initiatives or improvements to attract new businesses or permanent residents to a city.²⁰

In certain cases, a city may be able to use the advertising and promotion category to justify covering the costs of advertising an event that will attract tourists and hotel guests, even though the administrative or facility costs for the underlying event would not qualify for hotel tax funding.²¹

4) Expenditures that promote the arts.

This section authorizes the expenditure of local hotel occupancy tax for a variety of art-related programs that also promote tourism and local hotel and convention activity.²² Specifically, it allows funding the encouragement, promotion, improvement, and application of the arts including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution and exhibition of these major art forms.²³ However, it is not enough that a facility or event promotes the arts; Texas law requires that the arts related expenditure also directly promote tourism and the hotel and convention industry.²⁴

Section 351.101(a) of the Tax Code specifically states that “the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry.” The Texas Attorney General reaffirmed this standard when it held in Opinion GA-0124: “Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue only to promote tourism and the convention and hotel industry, and only for the specific uses listed in the statute.”

Additionally, THLA and Texans for the Arts (TFA) have formed a partnership to assist local governments in implementing hotel tax laws. In order to comply with the hotel occupancy tax statute, THLA and TFA agree that to be eligible for municipal arts funding with HOT revenues, recipients must satisfy the following requirements:

1. The recipient presents, performs, promotes, encourages or otherwise makes possible, artistic events, cultural performances, programs, exhibitions or lectures involving the major art forms listed in the statute, or “other arts related to the presentation, performance, execution and

¹⁸ § 351.101(a)(3).

¹⁹ § 351.101(b).

²⁰ Op. Tex. Att’y Gen. No. JM-690 (1987).

²¹ See *generally* Tex. Tax Code § 351.101(a)(3).

²² Tex. Tax Code § 351.101(a)(4).

²³ *Id.*

²⁴ § 351.101(b).

exhibition of these major art forms.”

2. The hotel occupancy tax funded programs and events are advertised and open to the general public.
3. The recipient directly enhances and promotes tourism and the convention and hotel industry.

With regard to requirement No. 3 above, THLA and TFA agree that the statute does not require a recipient to demonstrate a set level of direct impact on tourism and the convention and hotel industry to be eligible for hotel occupancy tax revenue funding. **However, the demonstration of some level of direct impact on tourism and the convention and hotel industry should be required.** Because the statute provides no specific methodology for determining a recipient’s impact on tourism or the convention/hotel industry, each funding entity has the flexibility to consider a number of factors.

The following factors may be beneficial to consider, but this list is neither exhaustive nor mandatory. Cities and counties using hotel occupancy tax may consider any or all the below listed factors or other factors that are appropriate for determining a recipient’s impact on tourism and the convention and/or hotel industry in a particular community:

- a. The recipient works with its area lodging operators and/or the convention and visitor’s bureau (CVB), either independently or in conjunction with other local arts organizations, to promote local arts events through hotel concierge services, training of hotel staff, hotel or CVB lobby area exhibitions, flyers or similar measures to better serve visitors to the area and encourage their extended stay in area hotels or a return to stay in area lodging facilities.
- b. The recipient provides entertainment to conventions, conferences and meetings offered in their cities and towns at which attendees are drawn from both in and out of the region.
- c. The recipient uses local hotel and lodging facilities for galas, meetings or other events sponsored by the recipient, including the use of hotel dining facilities by their patrons both pre and post events.
- d. The recipient books hotel rooms for visiting artists and offers hotel related information to attendees of the organization’s hotel occupancy tax funded events.
- e. The recipient promotes or markets its events outside of the local area through standard media promotion or advertising, websites, mailing lists, local, regional and national listings in publications and calendars and use of social media and where appropriate includes a link to information about area hotels.
- f. The recipient produces its events in conjunction with or within the boundaries of a Cultural and Fine Arts District established pursuant to Texas Government Code § 444.031.
- g. The recipient, either through audience or attendee questionnaires, polling, or hotel block booking codes, demonstrates that hotel guests, tourists, convention attendees or other out-of-town visitors have attended its hotel tax funded events.
- h. A performance, exhibition or other event sponsored by the hotel occupancy tax recipient has been reviewed or otherwise noted in a publication that circulates outside of the recipient’s local community, which helps promote tourism and hotel activity in the area.

There are many success stories of cities that have partnered with the arts entities to turn one day arts events into multi-day events that can substantially increase tourism and hotel activity. Such partnerships and long term planning can help both foster the arts and grow hotel tax proceeds that can be made available to the arts.

*Note: arts funding by a city may also be limited by statute. See “Special Rules” section of this guide.

5) Funding historical restoration or preservation programs.

A city may spend a portion of its hotel occupancy tax revenues to enhance historical restoration and preservation projects or activities, or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums that are likely to attract tourists and hotel guests.²⁵ Texas law does not limit such funding to structures that are owned by a public or nonprofit entity, or to whether the project is listed on a historic registry, but the city may choose to impose such limitations.

It is not enough that a project or activity event merely be historical in nature; Texas law requires that the historical related expenditure also directly promote tourism and the hotel and convention industry.²⁶ Section 351.101(a) of the Tax Code specifically states that “the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry.” The Attorney General in Opinion GA-0124 (2003) reaffirmed this standard when it held: “Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue “only to promote tourism and the convention and hotel industry” and only for the specific uses listed in the statute.”

Additionally, the amount of funding a city allocates to the historical programs category may be limited by statute. See the “Special Rules” section of this guide, starting on page 24.

6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.

This section authorizes a municipality located in a county with a population of under 1 million to use local hotel occupancy tax revenue to fund certain expenses, including promotional expenses, directly related to a sporting event.²⁷ To qualify under this authorization, the sporting event must be one that would “substantially increase economic activity at hotels and motels within the city or its vicinity.”²⁸ The statutory authorization also requires that a majority of the participants in the sporting event also be tourists to the area.²⁹

This category is intended to allow communities to fund the event costs for sporting tournaments that result in substantial hotel activity. For example, if a city had to pay an application fee to seek a particular sporting event or tournament, it could use hotel tax for such an expenditure if the sporting event would substantially increase economic activity at hotels and the city was within a county of under one million population. The requirement that a majority of the participants must be “tourists” is included in the statutory authority to prohibit the use of local hotel tax for sporting related facilities or events that are purely local (e.g.; local recreation centers, local little league and parks events, intramural sports, etc.).

7) Funding the enhancement or upgrading of existing sports facilities or sports fields for

²⁵ § 351.101(a)(5).

²⁶ § 351.101(b).

²⁷ § 351.101(a)(6).

²⁸ *Id.*

²⁹ *Id.*

certain municipalities.

Certain statutorily bracketed cities may use local hotel occupancy tax to enhance and upgrade existing sports facilities owned by the municipality.³⁰ Acceptable sports facilities include those for baseball, softball, soccer, rodeos, and flag football.³¹ The municipality must own the sporting facility, and the municipality must meet one of the following population requirements:

- i. The municipality has a population of 80,000 or more, and is located in a county that has a population of 350,000 or less: **Abilene, Amarillo, Beaumont, College Station, Corpus Christi, Killeen, Laredo, League City, Longview, Lubbock, Midland, Odessa, Pearland, San Angelo, Tyler, Waco, and Wichita Falls.**³²
- ii. The municipality has a population of at least 75,000, but not more than 95,000, and is located in a county that has a population of less than 200,000 but more than 160,000: **Bryan and College Station.**³³
- iii. The municipality has population of at least 36,000, but not more than 39,000, and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million: **Huntsville and Texarkana.**³⁴
- iv. The municipality has a population of at least 13,000 but not more than 39,000, and is located in a county that has a population of at least 200,000: **Addison, Alamo, Alvin, Angleton, Balch Springs, Bellaire, Benbrook, Burleson, Colleyville, Converse, Coppell, Copperas Cove, Corinth, Deer Park, Dickinson, Donna, Duncanville, Farmers Branch, Friendswood, Groves, Hewitt, Highland Village, Horizon City, Harker Heights, Humble, Hurst, Hutto, Katy, La Marque, La Porte, Lake Jackson, Lancaster, Leander, Little Elm, Live Oak, Mercedes, Murphy, Nederland, Port Neches, Portland, Rio Grande City, Rosenberg, Sachse, Saginaw, San Benito, San Juan, Schertz, Seagoville, Socorro, South Houston, Southlake, Stafford, Taylor, The Colony, Universal City, University Park, Watauga, Weslaco, West University Place, and White Settlement.**³⁵
- v. The municipality has a population of at least 70,000, but not more than 90,000, and no part of the city is located in a county with a population greater than 150,000: **Longview.**³⁶
- vi. The municipality is located in a county that is adjacent to the Texas-Mexico border, the county has a population of at least 500,000, and the county does not have a municipality with a population greater than 500,000: Cities in Hidalgo County including, but not limited to **McAllen, Edinburg, Mission, and Pharr.**³⁷
- vii. The municipality has a population of at least 25,000 but not more than 26,000, and is located in a county that has a population of 90,000 or less: **Greenville and Paris.**³⁸
- viii. The municipality is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located: **Victoria.**³⁹
- ix. The municipality has a population of at least 40,000 and the San Marcos River flows through the municipality: **San Marcos.**⁴⁰

³⁰ § 351.101(a)(7).

³¹ *Id.*

³² § 351.101(a)(7)(B)(i).

³³ § 351.101(a)(7)(B)(ii).

³⁴ § 351.101(a)(7)(B)(iii).

³⁵ § 351.101(a)(7)(B)(iv).

³⁶ § 351.101(a)(7)(B)(v).

³⁷ § 351.101(a)(7)(B)(vi).

³⁸ § 351.101(a)(7)(B)(vii).

³⁹ § 351.101(a)(7)(B)(viii).

⁴⁰ § 351.101(a)(7)(B)(x).

- x. The municipality is intersected by both State Highways 71 and 95: **Bastrop**.⁴¹

[Note that statutory population brackets are based on the decennial U.S. Census, most recently conducted in 2010.⁴²]

Texas law further requires that before local hotel tax to be used for this purpose, the sports facilities and fields must have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments in the preceding calendar year.⁴³

If hotel tax revenues are spent on enhancing or upgrading a sports facility, the municipality must also determine the amount of “area hotel revenue” generated by hotel activity from sports events held at the hotel tax funded facility for five years after the upgrades to the sport facility are completed.⁴⁴ The area hotel revenues that were generated from sports events at the hotel tax funded facility over that five year period must at least equal the amount of hotel tax that was spent to upgrade the sports facility.⁴⁵ If the amount of hotel tax that was spent on the facility upgrades exceeds hotel revenue attributable to events held at that facility over that five year period, the municipality must reimburse the hotel occupancy tax revenue fund any such difference from the municipality’s general fund.⁴⁶

For example, if a city spent \$400,000 on improvements to its soccer fields, it would have to show at least \$400,000 in area hotel revenue directly attributable to events held at that soccer field over the five year period after the soccer field improvements were completed. If the city could only show \$300,000 in hotel industry revenue due to events held at that soccer field, the city would have to reimburse the city hotel tax with the \$100,000 difference from the city’s general fund.

8) Funding transportation systems for tourists

Often with conventions and large meetings, there is a need to transport the attendees to different tourism venues. In 2007, the Texas Legislature authorized the use of city hotel tax for any sized city to cover the costs for transporting tourists from hotels to and near the city to any of the following destinations:

- the commercial center of the city;
- a convention center in the city;
- other hotels in or near the city; and
- tourist attractions in or near the city.⁴⁷

The reimbursed transportation system must be owned and operated by the city, or privately owned and operated but financed in part by the city.⁴⁸ For example, this authority could be used to cover the costs of a city to finance certain private shuttles to operate between the convention center and area hotels and attractions for a large city-wide convention. The law specifically prohibits the use of the local hotel tax to cover the costs for a transportation system that serves the general public.⁴⁹

⁴¹ § 351.101(k).

⁴² Tex. Gov’t Code Ann. § 311.005(3) (Vernon 2015).

⁴³ Tex. Tax Code §§ 351.101(a)(7), 351.1076.

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ § 351.110(a).

⁴⁸ § 351.110(b).

⁴⁹ § 351.110(c).

9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

In 2009, the Texas Legislature added a statutory category that allows cities to use municipal hotel occupancy tax revenue to pay for signage directing tourists to sights and attractions frequently visited by hotel guests in the municipality.⁵⁰ Arguably, this type of expenditure was permissible as “advertising and promotion” prior to this 2009 legislation. However, the Legislature codified this understanding to officially include signage directing tourists to sights and attractions that are frequently visited by hotel guests.⁵¹

Summary of the Nine Uses for the Local Hotel Occupancy Tax

In summary, local hotel occupancy tax revenues only may be spent to establish or enhance a convention center or visitor information center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund arts programs or facilities that will directly promote tourism and hotel and convention activity, fund historic restoration or preservation projects that will enhance tourism and hotel and convention activity, in certain counties and cities noted above fund certain costs for holding sporting events and making upgrades to sporting facilities that substantially increase local hotel activity, certain transportation costs for taking tourists from hotels to various locations, and pay for signage directing tourists to sights and attractions frequently visited by hotel guests. If the city cannot fit an expenditure within one of these nine categories, hotel occupancy tax revenues cannot be used for that purpose, unless a special state statute was passed to allow such additional uses. This article includes a summary of special provisions and limitations placed on cities that fall into certain population brackets or special geographic areas of the state.

With regard to the use of local hotel occupancy taxes, there is no time limit for a city to expend all of its hotel occupancy tax funds. At a minimum, however, state law does require that for cities with a seven percent local hotel tax rate, at least one-seventh of the hotel tax proceeds must be spent advertising and promoting the city to directly impact tourism and the hotel and convention industry.⁵² It should also be noted that state law requires that interest earned on hotel tax must be spent in the same way as other hotel tax revenues.⁵³ State law does not address revenues that are earned from events funded by the local hotel occupancy tax.

⁵⁰ § 351.101(a)(9).

⁵¹ *Id.*

⁵² §§ 351.103, 351.1035, 351.104(d), 351.105(b), and 351.106(a).

⁵³ §§ 351.001(9), (10).

Administering Hotel Occupancy Tax Revenue Expenditures

Duty of funded entities to provide a list of activities.

All entities (including the city itself) that are directly or indirectly funded by the local hotel occupancy tax are annually required to provide a list of the scheduled activities, programs, or events that will directly enhance and promote tourism and the convention and hotel industry.⁵⁴ This list is to be provided annually to the city secretary or his/her designee prior to the expenditure of the hotel occupancy tax funding by the funded entity.⁵⁵ An entity may add items to this list at any time, and each city decides the format for providing this information. This documentation requirement does not apply if the entity already provides written information to the city indicating which scheduled activities or events that it offers that directly enhance and promote tourism and the convention and hotel industry. For example, cities that require quarterly or annual reports on the use of hotel tax by hotel tax funded entities would satisfy this requirement if their report addresses the extent to which their events directly promote tourism and hotel activity.⁵⁶

It is important to remember that if an entity does not have any such events or programs reasonably expected to directly promote tourism and the hotel and convention industry, it is not eligible for local hotel occupancy tax funding.⁵⁷ If only a portion of an entity's programs fit these criteria, then only a proportionate amount of that entity's costs should be covered by the local hotel occupancy tax.⁵⁸

Delegating management of funded activities.

The governing body of a city may delegate the management or supervision of programs funded by the hotel occupancy tax by written contract.⁵⁹ This delegation may be made to a person, another governmental entity, or to a private organization.⁶⁰ This delegation is often made to a local arts council, a chamber of commerce, or to the convention and visitors bureau. The municipality shall approve the entity's annual budget prior to delegating the management or supervision of hotel tax funded programs.⁶¹ Furthermore, the municipality shall require the delegated entity to make periodic reports, at least quarterly, listing the hotel occupancy tax expenditures made by the delegated entity.⁶² Additionally, the Code requires that the contracted entity maintain complete and accurate financial records for every expenditure of hotel occupancy tax revenue, and upon the request of the municipality or another person, make the records available for inspection and review.⁶³

An entity with delegated authority to manage hotel tax funded programs undertakes a fiduciary duty with respect to the use of the tax revenue.⁶⁴ Such entities are also required to maintain the city hotel occupancy tax revenue in a separate bank account that may not be commingled with any other account or funds.⁶⁵ The Tax Code does not contain similar prohibitions against commingling the funds for

⁵⁴ § 351.108(b).

⁵⁵ *Id.*; § 351.108(d).

⁵⁶ § 351.108(g).

⁵⁷ § 351.101(b).

⁵⁸ § 351.101(e).

⁵⁹ § 351.101(c).

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ § 351.101(d).

⁶⁴ § 351.101(c).

⁶⁵ *Id.*

individual organizations, such as an arts or historical group that receives hotel tax funding for their individual program, but do not themselves oversee hotel tax funding to other entities.

Use of hotel occupancy tax revenues to cover administrative expenses.

Texas law allows proceeds of the municipal hotel occupancy tax to be used to cover the portion of administrative costs that are directly attributable to work on activities that may be funded by the tax.⁶⁶ For example, entities that manage activities funded by the hotel occupancy tax may spend some of the tax for certain day-to-day operational expenses.⁶⁷ These expenses may include supplies, salaries, office rental, travel expenses, and other administrative costs.⁶⁸ However, these costs may be reimbursed only if the expenses are incurred in the promotion and servicing of expenditures authorized under the hotel occupancy tax laws.⁶⁹ The portion of the administrative costs that are covered should not exceed the percentage of the cost that is attributable to the activity funded by the hotel occupancy tax.⁷⁰ For example, administrators who spend 33 percent of their time overseeing hotel occupancy tax funded programs should seek funding for no more than 33 percent of their salary or 33 percent of other related overhead costs. Additionally, hotel occupancy tax revenues may be spent on travel that is directly related to the performance of the person's job in an efficient and professional manner.⁷¹ This travel should facilitate the acquisition of skills and knowledge that will promote tourism and the convention and hotel industry.⁷²

Additional Limits Applicable to the City of Austin

The Texas Tax Code provides additional rules for certain Texas cities based on the city's population bracket. Where noted, these special rules supplement or further restrict the general two-part test for hotel occupancy tax revenue expenditures. For statutory construction purposes, population brackets are based on the decennial federal census, most recently conducted in 2010.⁷³

Cities with a population of 200,000 or greater (except Houston): Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Garland, Irving, Laredo, Lubbock, Plano, and San Antonio.

In addition to the general two part test for all expenditures of the hotel occupancy tax revenue, the above cities have certain specific expenditure limitations that apply to their handling of the local hotel occupancy tax.

15 Percent maximum expenditure for the arts and 15 percent maximum expenditure for historical restoration and preservation:

Under § 351.103(c), a city with a population of at least 200,000 may not expend more than the greater of either 15 percent of the hotel occupancy tax revenue collected or the amount of tax received by the city

⁶⁶ § 351.101(e).

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ § 351.101(f).

⁷² *Id.*

⁷³ Tex. Gov't Code § 311.005(3).

at the rate of 1 percent of the cost of a room on promotion of the arts.⁷⁴ Also, a city with a population of more than 125,000 may not spend more than 15 percent of its hotel occupancy tax revenue on historical restoration and preservation programs.⁷⁵

Minimum threshold for advertising and promotion funding: Amarillo, Austin, Arlington, Corpus Christi, Dallas, El Paso, Fort Worth, Frisco, Garland, Grand Prairie, Irving, Odessa, Plano, Round Rock, San Antonio, and Tyler:

Except for Nacogdoches, cities that undertake funding a convention center hotel with hotel occupancy tax revenues must allocate a minimum threshold of funding for advertising and promotion of tourism and hotel activity under § 351.101(a)(3).⁷⁶ Specifically, these cities may not allocate hotel tax funding under § 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using hotel tax revenues for the hotel project.⁷⁷

⁷⁴ § 351.103(c).

⁷⁵ § 351.103(c).

⁷⁶ § 351.102(d).

⁷⁷ *Id.*



400 West Main St
(254) 647-3522 Phone

Ranger, TX 76470
(254) 647-1407 Fax

John Casey - Mayor
Gerald Gunstanson - City Manager
Savannah Fortenberry - City Secretary
Andrew Lopez - Public Works Director
Tammy Archer - Municipal Judge
Darrell Fox - Fire Chief

City Council Meeting Agenda Item Request and Information Sheet

The deadline for submitting an agenda item request and supporting documentation for Council Member Agenda Packets is the Wednesday by 5PM prior to the 72-Hour Posting of the City Council meeting. Requests received after that time will be scheduled for the following meeting. Please print or type all information. It is the Requestors responsibility to provide all necessary documents.

Requestor: Ken Chapman (RTE) Phone: 254-653-7540

Date Submitted: 8-17-2022 Time Submitted: _____

Meeting Date: 8-22-2022

Agenda Item Title: USE OF CITY SERVICES & HOTEL/MOTEL TAX

Description: 2-3
4 year
USE OF DUMPSTERS, LIGHT TOWER, UP TO \$5,000.00
IN HOTEL/MOTEL TAX. FOR ADVERTISING, SIGNS
AND TRANSPORTATION.

Recommended Action: APPROVE REQUEST! (PLEASE) ✓

CITIZEN SIGNATURE

Attach any supporting documents for Council Member Agenda packets.

RCTF

Dear Ladies and Gentlemen of the Council,

Hello from the Ranger Citizens Task Force. It is Roaring Ranger Days time again and we are up and running. This year, 2022, we have had a major response to our request for vendor spaces, 300 vendor forms have been REQUESTED! If even half of those show up it would more than double years past and blow all other festivals in this area out of the water!

Normally we have about 50 vendors and hold the event on a one acre lot. Now we have the potential of hundreds of vendors and a 22 acre venue to grow with us. Now it is time to get the "wallets" to Ranger. After much research we have found that advertising is extremely expensive. We have done well with Facebook ads in the past, but our small little festival is growing by leaps and bounds. This is where we would like to ask for assistance. After studying what Hotel/Motel tax can be used for, (see Texas Comptroller attachment) we have received proposals from radio stations outside of the Eastland county area to not only promote Roaring Ranger Days, but our local Horse Shoe RV Park and newly renovated Roadway INN. These advertisements would not only bring more tax revenue to local shops, but put "heads in beds". In fact this has already started, vendors are booking spaces and rooms here in Ranger.

In the proposals it is not only commercials over the radio waves, but social media post, ads on their aps, and on air interviews with our Saturday night entertainment head liner, Rachel Stacy. We have to move with the times. Keep in mind the proposals are just that. Each station has agreed to work with any funds we can acquire to give us the BIGGEST BANG FOR OUR BUCK!

We do not have formal proposals for signage or transportation from parking to the event venue, but have done the research.

We consulted with Ken's Motorcycle Shop and Golf Carts of West Texas in Abilene. An ATV or golf cart that seats 6 will run \$150 to \$200 per day per unit.

For signage we were donated vinyl corrugated sign (already printed with other ads) to paint over. The price of the base paint is \$42 per gallon and the lettering color is \$15 per quart or \$42 per gallon. We expect to use 2-3 gallons of base and 2-3 quarts in lettering color.

With our estimations we are expecting signage to cost at least \$200, transportation \$800, and advertising \$9,083

In closing we are asking the Council to allocate at least \$5000 to put Ranger Ranger Days on the map and calendar of all surrounding areas. If you can find it in your hearts to allocate more that would be amazing. As all of you know Ranger Citizens Task Force has always been pro Ranger, this is no different. We want to promote Ranger in a positive light! Also we like to ensure the Council great lengths are being taken to account, record, and audit for every penny spent. If successful in our request for assistance thank you in advance. Remember the Ranger Citizens Task Force moto, "Help Us Help You"!

Thank You For Your Time,

RCTF

If you have any questions contact Ken Charman 254 653 7540

Or join us at the Old Ranger Sale Barn, bring a rake and a hammer!

Please look over the media packets from the radios stations and media groups.



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Requestor: Wild Horses Building Phone: 605 218 1954
Champions Inc. Tom + Casey Reeves

Date Submitted: 8/17/2022 Time Submitted: _____

Meeting Date: Monday 22. Aug 2022

Agenda Item Title: Funding Request For upcoming Events in Ranger, Texas
For a Free to all participants + spectators Western Life style Event
(Professional Rodeos) With a youth program For All youth.

Description: The description of this event is to: Continue to Bring
people to Ranger, Texas and to include the local Community,
while helping local businesses create more Revenue through
increased foot traffic to their business. This will Produce overnight
Stays (Heads in Beds) that would not normally come to Ranger for any other
Reason.

Recommended Action: To be granted the Funding Request For
the upcoming Event(s) Sept 16, 17, 18 and 30th in Ranger, Texas
to be held @ the Rodeo Grounds.

CITIZEN SIGNATURE

Casey Reeves

Attach any supporting documents for Council Member Agenda packets.

Wild Horses Building Champions Inc.

Tom Reeves

buildingchampionswildhorses@gmail.com /605 218 1954

RE: to propose to use funds from the Ranger, Texas Lodging Tax dollars to promote the four (4) events taking place on September 16, 17, 18 and 30th.

The Amount Wild Horses Building Champions Inc. is requesting to offset costs of these events, which will add revenue into the community and overnight stays. The amount is, \$12,000.00. total.

These events and others like them will bring countless stays to the area. They will also drive commerce into the local businesses. For example, one of my last rodeos in Ranger, Texas had so many people in the town that the local residents had to get up and help the waitress's at the Diner help accommodate the traffic into the diner.

Before hand to help the local businesses in Ranger we will let everyone know of our schedule and therefore they can adjust their hours to potentially accommodate the traffic into their business from the event.

These four days of rodeo in Ranger, Texas this September will provide free admission to any resident of Ranger.

What is our objective and/or overall outcome for our project or event?

To use the Western Lifestyle with a professional rodeo sanctioned by the Professional Rodeo Cowboys Association (PRCA) event to excite, promote, educate, drive commerce, as well as overnight stays to the Ranger, Texas Community that would otherwise not be coming to Ranger, Texas.

Where will the project or event take place?

The events will take place at the Rodeo Grounds in Ranger, Texas.

Describing our target audience?

Wild Horses Building Champions Inc.'s target audience is several different types of people. Besides offering a free gate to the residents of Ranger, Texas, the program will attract audiences from all over Texas and surrounding states. Besides the rodeo contestants coming into town to compete in these events, the events will attract countless families that will be bringing their children to be coached by Hall of Fame Bronc Rider Tom Reeves.

What other agencies, groups, and individuals are sponsoring this project or event?

Wild Horses Building Champions Inc. is a 501 c 3 that specifically runs off of private donations. It also hosts fundraisers like selling raffle tickets seeking grant funding to help make the program FREE to all participants. Tom Reeves has never taken a salary for coaching kids and works diligently to raise the necessary funding to make the program a benefit to the area in which it serves and hosts events.

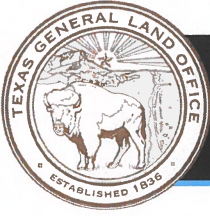
What forms of advertising do you plan to use to achieve your objective and attract your target audience?

The project will boost its "word of mouth" capabilities and advertise the event in the Pro Rodeo Sports News and PRCA Business Journal. Wild Horses Building Champions Inc. will include that funding was received by this specific funding source and that the event was brought to the area in part by the specific funding source.

How do you plan to achieve "Heads in Beds" lodging opportunities during your project or event? (list forms of tracking methods you plan to use for overnight guest tracking and you intend to encourage overnight stay)

For our event, this isn't hard to achieve. The Professional Rodeo Cowboys Association (PRCA) will also purchase additional rooms for judging staff and persons required to be on site. This doesn't even come close to participants purchasing rooms.

The youth program / free to participant's rodeo school will attract countless "heads in beds." We constantly track these "heads in beds." We do that on the participant's liability waiver; there is a survey asking them if they or anybody with them purchased a room to participate in the activity. It invites other questions as well; like, "did you enjoy any local attractions?", "Did you eat out at a local restaurant?" "Did you purchase anything at any store in the area?"



RESILIENT COMMUNITIES PROGRAM

Texas General Land Office
Community Development & Revitalization

The Texas General Land Office (GLO) allocated up to \$100 million in Community Development Block Grant Mitigation (CDBG-MIT) funds for the Resilient Communities Program (RCP). The RCP will fund the development, adoption, and implementation of modern and resilient building codes and flood damage prevention ordinances to ensure that structures built within the community can withstand future hazards.

RCP launches June 1, 2022.

More information and the application are available at
recovery.texas.gov/rcp.

Communities are encouraged to also learn about RCP's companion program, the Local Hazard Mitigation Plans Program (LHMPP), which is actively accepting applications. Visit LHMPP's web page at recovery.texas.gov/mitigation/lhmpp.

► Eligibility Criteria

Applications will have a maximum of \$300,000 per applicant, first-come first-served.

At least 50% must address mitigation needs in the CDBG-MIT most impacted and distressed (MID) areas identified by the United States Department of Housing and Urban Development (HUD).

► Eligible Applicants

Units of local government (e.g., cities, counties, federally recognized tribes, and councils of governments) located in a CDBG-MIT eligible area. Entity must have legal authority to adopt and enforce the building code, zoning ordinance, land use plan, and/or comprehensive plan proposed in the RCP application.

Planning Activities

Develop, update, adopt, and implement:

- **BUILDING CODES** that meet or exceed International Residential Code (IRC) edition 2012;
- **FLOOD DAMAGE PREVENTION ORDINANCES**
 - Must require new structures to be at least 2-feet above base flood elevation;
- **ZONING ORDINANCES**
 - based upon a land use plan or comprehensive plan; and
- Forward-looking **LAND USE PLANS** and/or **COMPREHENSIVE PLANS** that integrate hazard mitigation planning.

Public Service Activities

Activities leading to an increase in community knowledge and/or the National Flood Insurance Program's voluntary Community Rating System's (CRS) incentive program.

Examples include education and outreach campaigns that alert communities and beneficiaries to mitigation opportunities and best practices.

Public Service activities must meet a HUD national objective.

► Technical Assistance

RCP staff is available to assist potential applicants with understanding how the program can best assist in meeting the needs of the community with regard to mitigation activities, such as modern building code adoption, that increase the resilience and reduce the likelihood of losses of life and property from future disasters.

📞 RCP Contact information: (512) 770-4900

✉️ rcp.glo@recovery.texas.gov

RESOLUTION NO. 2022-08-22-L

A RESOLUTION OF THE CITY COUNCIL OF RANGER, TEXAS, AUTHORIZING THE SUBMISSION OF A COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION-RESILIENT COMMUNITIES PROGRAM PROJECT APPLICATION TO THE GENERAL LAND OFFICE; AND AUTHORIZING THE CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE COMMUNITY DEVELOPMENT & REVITALIZATION PROGRAM.

WHEREAS, the City Council of Ranger desires to develop a thriving, viable community, strengthen infrastructure, provide a suitable living environment, and expand economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interest of City to apply for funding under the Community Development Block Grant Mitigation Program, Resilient Communities;

NOW THEREFORE, BE IT RESOLVED;

Section 1. That a Community Development Block Grant Program application is hereby authorized to be filed with the Texas General Land Office for funding consideration under the Community Development Block Grant – Mitigation-Resilient Communities; and

Section 2. That the application be for the CDBG-MIT Resilient Communities Application program to carry out Planning Activities; and

Section 3. That the grant amount be up to the maximum allowed by the CDBG-MIT-RCP; and

Section 4. That the City Council directs and designates the City Manager as the Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and participation in the Community Development & Revitalization Grant Program.

Passed and approved this 22nd day of August, 2022.

City Manager

City Secretary

RESOLUTION NO. 2022-08-22-M

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANGER, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE. OFFICE OF RURAL AFFAIRS FOR THE COMMUNITY DEVELOPMENT FUND; AND AUTHORIZING THE MAYOR AND/OR THE CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the City Council of the City of Ranger desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

(if appropriate WHEREAS, certain conditions exist which represent a threat to the public health and safety; and)

WHEREAS, it is necessary and in the best interest of the City of Ranger to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANGER, TEXAS:

1. That a Texas Community Development Block Grant Program application for the Community Development Fund is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture.
2. That the City's application be placed in competition for funding under the Community Development Fund.
3. That the application be for \$500,000.00 of grant funds to carry out infrastructure improvements.
4. That the City Council directs and designates the following to act in all matters in connection with this application and the City's participation in the Texas Community Development Block Grant Program:
 - The Mayor and/or City Manager shall serve as the City's Chief Executive Officer and Authorized Representative to execute this application and any subsequent contractual documents;
 - The Mayor, Mayor Pro-Tem, and City Manager are authorized to execute environmental review documents between the Texas Department of Agriculture and the City; and
 - If this application is funded, the Mayor, Mayor Pro-Tem, City Manager, City Secretary, and City Council Member(s) are authorized to execute the Request for Payment Form documents and/or other forms required for requesting funds to reimburse project costs.
5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.
6. That it further be stated that the City of Ranger is committing \$25,000.00 from its REDC Fund as a cash contribution toward the activities of this infrastructure improvements project.

Passed and approved this 22nd day of August, 2022.

Mayor Pro-tem

City Secretary